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E.O. 12958: N/A

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SUBJECT: PUBLIC VIEWS DUARTE ADMINISTRATION MOST CORRUPT IN  
DECADES

¶1. (U) SUMMARY: Transparency International/Paraguay's (TP) 2007 corruption survey indicated that the public considers the Duarte administration the most corrupt since 1997. The survey published a variety of corruption indicators revealing that Paraguayans' primary concerns are corruption, unemployment, crime, poverty and hunger. The survey explained Paraguayans disapprove of the Duarte administration particularly because of corrupt political use of state resources. END SUMMARY.

¶2. (U) Transparency Paraguay's annual corruption survey released November 6 indicated that the public considers the Duarte administration more corrupt than any administration since the Wasmosy era (1992-97). While only 6.8 percent of the public perceived the Duarte government as corrupt in 2004, that figure rose to 37.7 percent this year. The survey also indicated that the public considers the Duarte administration more corrupt than those of former dictator Alfredo Stroessner (5.8 percent); Gonzalez Macchi (25.6 percent), who was convicted of embezzling USD ten million from two failed Paraguayan banks in 2000; Cubas Grau (1.1 percent); and former president and alleged drug trafficker General Andres Rodriguez (1.1 percent).

¶3. (U) The TP survey included 40 corruption indicators measuring the public's perception of corruption and its affect on society and public institutions. The survey, conducted between July and August, analyzed the opinions of 1,232 participants. The survey revealed that Paraguayans' primary concerns include unemployment (74.2 percent), crime (55.8 percent), poverty and hunger (41.1 percent), the influence of corruption (23.5 percent), public health (18.1 percent), and education (13.6 percent). The survey also showed that Paraguayans believe that the country's most corrupt institutions include the national police (73 percent), the Duarte administration (62.6 percent), Congress (59.7 percent), political parties (49.5 percent), the judiciary (38.4 percent), immigration officials (33.4 percent), and public employees (26.9 percent). The survey identified the least corrupt institutions as the Catholic Church (65.8 percent), television-based media (58.2 percent), civil society (44.1 percent), and the written press (43.4 percent).

¶4. (U) The TP survey's outcome differs from the Millennium Challenge Corruption's corruption indicators, which indicate that Paraguay rose from the eighth percentile among Low Income Countries (LCIs) in 2004 to 30th in 2007. The MCC analyzed data from various sources, including Transparency International, the World Bank, the World Economic Forum, Global Insight, Freedom House, and the Economist Intelligence Unit to determine Paraguay's performance and benchmarked it against other LCIs.

¶5. (U) COMMENT: The TP survey underscored some reasons why

Paraguayans disapprove of the Duarte administration. Although public perceptions soften over time -- leading to increased scrutiny of the current administration and nostalgia for past governments -- the Duarte administration has repeatedly been plagued by credible accusations that it has misappropriated public resources. TP's survey indicates that Paraguayans characterize the Duarte administration as corrupt for its misuse of public funds (particularly Itaipu Dam resources) for political campaigns, commandeering of government aircraft and vehicles by political candidates, and acquisition of large personal fortunes by government officials during their terms in office. Whether corruption allegations will move voters in the April elections to unseat the Colorado Party is another matter entirely. END COMMENT.

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